



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN AMC ENTERTAINMENT'S MERGER WITH LOEWS CINEPLEX ENTERTAINMENT

Divestiture of Assets Will Preserve Competition for Commercial, First-Run Film Exhibition in 5 Major Cities

WASHINGTON, D.C. -- The Department of Justice announced today that it will require the holding companies for AMC Entertainment and Loews Cineplex Entertainment-Marquee Holdings Inc. and LCE Holdings Inc., respectively-- to divest certain movie theater assets in order to proceed with their proposed multi-billion dollar merger. The Department said that the transaction, as originally proposed, would have eliminated head-to-head competition between AMC and Loews and likely would have resulted in higher prices for tickets to first-run, commercial movies in sections of five major American cities: Boston, Chicago, Dallas, New York, and Seattle.

The Department's Antitrust Division filed a civil lawsuit today in the U.S. District Court in the Southern District of New York to block the proposed transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns. The States of New York, Illinois, and Massachusetts joined the Division's action as co-plaintiffs.

"The divestitures required by the Department will ensure that competition at movie theaters in the affected parts of Chicago, New York, Boston, Seattle, and Dallas is preserved,"

said Thomas O. Barnett, Acting Assistant Attorney General for the Department's Antitrust Division.

Under the terms of the consent decree, AMC and Loews must divest the following movie theaters: the Webster Place 11 and City North 14 theaters in Chicago; the E-Walk 13 theater in New York; the Fenway 13 theater in Boston; the Meridian 16 theater in Seattle; and the Keystone Park 16 in Dallas. In addition, the newly formed AMC/Loews company must inform the Division if it proposes to acquire movie theater assets in those markets over the next 10 years.

Marquee Holdings Inc. is a Delaware corporation with its headquarters in Kansas City, Missouri. AMC owns or operates 216 theaters containing 3,300 screens at locations throughout the United States.

LCE Holdings Inc. is a Delaware corporation with its headquarters in New York City. Loews owns or operates 128 theaters containing 1,424 screens at locations throughout the United States. Loews operates theaters under the Loews Theatres, Cineplex Odeon, Star Theatres, and Magic Johnson Theatres brands.

As required by the Tunney Act, the proposed settlement and the Department's competitive impact statement will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to John R. Read, Chief, Litigation III Section, Antitrust Division, United States Department of Justice, 325 7th Street N.W., Suite 500, Washington, D.C. 20530 (telephone: 202-307-0468). At the conclusion of the 60-day comment period, the U.S. District Court for the Southern District of New York may enter the proposed consent decree upon finding that it is in the public interest.

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